

that a partial settlement of this controversy would serve no good purpose, but that the whole subject in dispute under the Treaty should be settled at the same time. And I have it further in charge to assure your Lordship that this Government is ready to receive and fairly to consider any proposition which the British Government may be disposed to make for a mutually acceptable adjustment, with an earnest hope that a satisfactory arrangement may speedily put an end to all danger of the recurrence of those grave questions which have more than once threatened to interrupt that good understanding which both countries have so many powerful motives to maintain.

I have, &c.
(Signed) LEW. CASS.

No. 65.

Lord Lyons to Lord J. Russell.—(Received July 16.)

(No. 222.)

My Lord,

Washington, July 2, 1860.

WITH reference to my despatch No. 213 of the 18th ultimo, I have the honour to transmit to your Lordship a copy of a note in which General Cass informs me that he has communicated to the President and to General Scott the letter addressed to General Harney by Mr. A. G. Dallas, President of Council of the Hudson's Bay Company, relative to the occurrences which were alleged as grounds for the occupation of the Island of San Juan by United States' troops.

I have sent to Mr. Dallas a copy of General Cass' note.

I have, &c.
(Signed) LYONS.

Inclosure in No. 65.

General Cass to Lord Lyons.

My Lord,

Washington, June 25, 1860.

I HAVE the honour to acknowledge the receipt of your Lordship's note of the 14th instant, inclosing the copy of a letter of the 10th ultimo, addressed to General Harney by A. G. Dallas, Esq., a Director of the Hudson's Bay Company, and the Company's President of Council in North America.

In reply, I have the honour to state that I have submitted Mr. Dallas' letter to the President, and also communicated a copy of it to General Scott.

I have, &c.
(Signed) LEW. CASS.

No. 66.

Lord J. Russell to Lord Lyons.

(No. 171.)

My Lord,

Foreign Office, July 20, 1860.

HER Majesty's Government are reminded, by what has recently occurred at San Juan, of the unsettled state of the question of jurisdiction upon that island.

It appears to Her Majesty's Government that an attempt to establish a concurrent civil jurisdiction is likely to fail. A separate jurisdiction over separate portions of the island, in the hands of British and American magistrates, might possibly succeed: but perhaps the best course would be that the magistrates on both sides should be withdrawn, and that, as long